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Catherine D. Taylor
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January 31, 2005

The Honorable Charles L. A. Terreni
Chief of Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Request of the Public Service Commission for Information on Terminations

Dear Mr. Terreni:

Pursuant to the letter received from David Butler, Esq., dated January 13, 2005, please find enclosed South Carolina Electric & Gas Company's (SCE&G) information regarding involuntary termination of both electric and gas customers. This report covers involuntary terminations in the fourth quarter of 2004 and details, per your request:


- (1) The total number of customers whose services have been involuntarily terminated;
- (2) The daily number of customers whose services have been involuntarily terminated;
- (3) The reasons for the terminations;
- (4) The average duration of involuntary terminations; and
- (5) A summary of SCE&G's policies regarding involuntary terminations.

SCE&G would note to the Commission that its information systems do not capture precisely the information being requested. Therefore, SCE&G is in the process of refining collection of this type of information so that these reports will be as accurate as is reasonably possible. SCE&G notes in its attachment that there were 26,906 completed disconnect orders completed in the fourth quarter of 2004. Certain customers received multiple disconnect orders. Therefore, SCE&G also notes that 16,413 unique customers are represented in these numbers.

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A copy of this report is being provided to the Office of Regulatory Staff. Thank you for your assistance in filing this information.

Sincerely,


Catherine D. Taylor

Attachments

cc: F. David Butler, Esq.
Dan F. Arnett
John Hendrix



Disconnect Statistics 4th Quarter 2004

Reasons for involuntary termination:

Safety – hazardous meter situations

Energy Diversion

Disconnect Non-payment (DNP)

Safety:

- No formal tracking prior to January 1, 2005.
- As of January 1, 2005, 4 meters have been turned off due to safety reasons.
- 3 of these meters have been reconnected. 1 is still off awaiting repairs.

Energy Diversion:

- No formal tracking prior to January 1, 2005.
- Information will be available to report for the 1st quarter of 2005.

Disconnect for non-payment:

- 26,906 disconnect orders were completed during the 4th quarter of 2004. This represents an estimated 16,413 unique customers. 95% of these customers are residential customers and 5% are non-residential.
- 71% of the disconnect orders generated were canceled due to a payment or arrangement (Deferred Payment Agreement, Medical Certificate, Short Term Arrangement, etc.)
- The average daily number of disconnect orders completed is 434.
- 73% of the customers who were disconnected were reconnected within a 24 hour period.
- 32% of customers are disconnected 2 or more times in 12 month period.
- 245 accounts had active medical certificates as of January 14, 2005.

Disconnect Statistics 4th Quarter 2004

Disconnects				% Complete vs Generated
DNP's Generated	Resolved	DNP's Completed		
<u>October</u> Residential	30,151	19,650	10,325	34%
Non-Residential	2,422	1,903	519	21%
Total	32,573	21,553	10,844	33%
<u>November</u> Residential	28,561	20,336	8,145	29%
Non-Residential	2,297	1,854	443	19%
Total	30,858	22,190	8,588	28%
<u>December</u> Residential	26,500	18,407	6,981	26%
Non-Residential	2,196	1,703	493	22%
Total	28,696	21,222	7,474	26%
<u>Grand Totals</u> Residential	85,212	58,393	25,451	30%
Non-Residential	6,915	5,460	1,455	21%
	92,127	63,853	26,906	29%

Reconnects

	Same Day Reconnect	One Day	Two Days	Three Days	Four Days	Five Days	> Five Days	No Reconnect	Total
<u>October</u> Residential	5,703	1,712	362	265	177	93	403	1,616	10,331
Non-commercial	215	78	21	23	9	13	39	115	513
Total	5,918	1,790	383	288	186	106	442	1,731	10,844
% Reconnected	55%	17%	4%	3%	2%	1%	4%	16%	
<u>November</u> Residential	4,813	1,292	309	192	107	48	331	1,056	8,148
Non-commercial	201	66	13	14	10	3	26	107	440
Total	5,014	1,358	322	206	117	51	357	1,163	8,588
% Reconnected	58%	16%	4%	2%	1%	1%	4%	14%	
<u>December</u> Residential	4,181	1,107	204	107	72	58	189	1,193	7,111
Non-commercial	161	43	17	11	8	8	26	89	363
Total	4,342	1,150	221	118	80	66	215	1,282	7,474
% Reconnected	58%	15%	3%	2%	1%	1%	3%	17%	
<u>Grand Totals</u> Residential	14,697	4,111	875	564	356	199	923	3,865	25,590
Non-Residential	577	187	51	48	27	24	91	311	1,316
	15,274	4,298	926	612	383	223	1,014	4,176	26,906

Resolved indicates payment received or arrangements made (Short term arrangement, Deferred Payment Plan, Medical Certificates, etc.)

If payment is not received within 10 days of the disconnect date, the account is final billed.
Those accounts falling in that category are indicated by "no reconnect".



SCE&G Residential Delinquency Process

When a customer does not pay his/her utility bill, there are a number of steps that SCE&G takes to address the situation. The last step – and the least desirable – for dealing with a customer who has not paid his/her bill is to disconnect that customer's power.

Before any customer's power is disconnected, that customer is given multiple opportunities to pay a "past due" bill. The first past due notice is an attachment to the customer's monthly bill. It is displayed in the bill message portion and is marked "IMPORTANT NOTICE." This notifies the customer – at least 10 days prior to the possible termination of service -- of SCE&G's intent to disconnect power. The notice displays a total of utility and non-utility related charges and complies with PSC Regulation 103-352a. The notice reads as follows:

BEFORE SERVICE IS DISCONNECTED

Your electric and/or natural gas service has been scheduled for disconnection because of non-payment. Under the rules and policies of South Carolina Electric and Gas Company, you have certain rights in this situation.

1. You have the right to an interview with the SCE&G local office customer representative at the address shown above who is authorized to accept payment or assist you in making deferred payment plan arrangements prior to disconnection. Contact our office between 8:00 a.m. and 5:00 p.m. Monday through Friday.
2. SCE&G intends to resolve any dispute or concern you may have. Call 803.799.9000 to have the staff of SCE&G investigate and review any dispute you may have concerning your service.
3. During the months of December through March, SCE&G will not disconnect a residential customer for a 30 day period, when furnished with a Medical Certificate signed by a licensed physician. If disconnection of your service would be dangerous to your health or a member of your household, obtain the Medical Certificate form from your SCE&G local office, have it completed and signed by your licensed physician and return the form to us prior to disconnection.
4. SCE&G's Customer Assistance Department works with elderly, handicapped and other special needs customers who require help from local agencies.
5. If a dispute cannot be resolved, the staff of the S.C. Public Service Commission is available at 1.800.922.1531 to investigate and review any unresolved disputes between SCE&G and the customer.

Four days prior to the forecasted disconnect, the customer is mailed a second notice, providing yet another opportunity to bring the account into good standing. This notice complies with PSC Regulation 103-352b, and includes options for customer to avoid disconnection or to communicate disputes.

In addition, third-party notification is available to a customer that requests another individual to be notified before service is disconnected.

SCE&G does not disconnect services to its customers if temperatures are 32 degrees or below, or when adverse weather (ice storm, hurricane, major storms) impacts its service areas. In all cases, the company tries to use good judgment.

Service disconnects – especially those that coincide with inclement weather – are handled on a case-by-case basis, and include a consideration of immediate weather forecasts and a review of the customer's payment history.

As noted above, from December through March SCE&G will not disconnect power for a 30-day period if a customer furnishes a physician-signed medical certificate stating that the customer or a member of the household has a health requirement that prohibits disconnection of service. These certificates are required by Federal law and upheld by the PSC.

In instances where a customer has demonstrated a good faith effort to pay the bill, but is struggling financially, SCE&G works directly with that customer to develop payment options that are tailored to the customer's individual situation. Those options include:

- Short Term Arrangements – Allows a currently forecasted disconnect date to be stopped and deferred to the next forecasted disconnect date. In addition, any notices that have not been mailed to the customer are stopped.
- Deferred Payment Plan – A payment plan designed to allow a customer to pay his past due amounts in monthly installments.

SCE&G Customer Representatives and Field Service Representatives are trained to identify customers with medical and/or special needs, and to work to help them understand the types of financial assistance programs that may be available to them. Among those programs:

- White Cross – Provides a courtesy service for customers who require medical equipment in their homes. A courtesy call is made prior to disconnecting special needs customers. SCE&G has approximately 4,500 White Cross customers. When these customers are delinquent, SCE&G

customer service reps place courtesy phone calls to remind them that they are late in paying their bill.

- Project Share – SCE&G collects money via bill inserts, bill message, etc. to assist customers. These funds are administered by state agencies and the Salvation Army. In 2004 Project Share Contributions totaled \$286,486.
- Weatherization – Some customers need help making their homes more weather resistant. Through employee volunteer efforts and corporate donations, SCE&G supports programs sponsored by local energy offices throughout the state to help many such customers. This program helps customers control their energy bills by weatherizing their homes so they can be heated and cooled more efficiently. Since the program began in 1983, more than 5,500 homes have been weatherized throughout South Carolina, including more than 40 in 2004.
- Low Income Home Energy Assistance Program – South Carolina's Low-Income Home Energy Assistance Program helps people with their heating bills. The amount of assistance provided depends on the heating fuel used and the applicant's income. Since the program began in 1980, more than \$37 million in assistance has gone to SCE&G customers. To be eligible, families must meet federal standards of a low-income household.
- The SCE&G Employee Good Neighbor Fund – funded through the generous donations of SCE&G employees and retirees, this program provides temporary aid to individuals and families who are experiencing extreme financial difficulties and have exhausted all other sources of help. Funds are administered exclusively through employee referrals to provide essentials such as food, medical, and shelter expenses. In 2004, more than 360 families received financial assistance through this program.

SCE&G customer service representatives regularly refer customers in need of assistance to local community action agencies, as well as state and private agencies, that specialize in providing that assistance. SCE&G's Website, www.sceg.com publicizes a summary of available assistance.